

STATE OF TENNESSEE

Office of the Attorney General



**LUCY HONEY HAYNES**  
CHIEF DEPUTY ATTORNEY GENERAL

**LAWRENCE HARRINGTON**  
CHIEF POLICY DEPUTY

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ATTORNEY GENERAL AND REPORTER  
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August 6, 2008

Honorable Randall Eugene Nichols  
Knox County District Attorney General  
6<sup>th</sup> Judicial District  
P.O. Box 1468  
Knoxville, TN 37901-1468

RE: Knox County investigations

Dear General Nichols:

Our offices have been conferring for the past several weeks regarding the ongoing controversy in Knox County related to various financial management issues. In light of those discussions, we have agreed that this office is best suited to investigate and, if appropriate, undertake legal action in these matters, as you have requested. We understand that your office works on a daily basis with Knox County officials affected by this investigation and receives much of its funding from Knox County, and therefore you have removed yourself from the investigation to avoid any appearance of conflict. We agree with you that an office like mine, independent of Knox County government and with expertise in the law applicable to these matters, should take over these investigations to insure public confidence in the disposition of these matters.

We understand that this investigation will involve all potential violations and remedies relating to the alleged improper handling of Knox county finances and possible conflicts of interest. Several of these issues have been the subject of audits reviewing transactions related to travel, purchasing cards and hospitality funds, as well as a forthcoming audit on grants. While the subjects covered by these audits will be the primary focus of the investigation, we would also be authorized to review any related matters which might arise in the course of the investigation. In addition, pursuant to the power granted to my office under Tenn. Code Ann. § 8-47-101 et seq., we will examine the request for ouster filed with your office on June 5 by ten freeholders and fulfill the obligations due them under that statute.

Your office has previously appointed William C. Bright, an assistant district attorney from the Thirtieth Judicial District (Shelby County) and the head of that office's white collar crime division, to investigate financial management issues related to former Knox County Senior

Letter to Randall Eugene Nichols  
August 6, 2008  
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Community Services Director Cynthia Finch. General Bright is an excellent prosecutor with substantial experience in these types of cases, and we will expand his appointment so that he can work with this office on all aspects of the investigation.

This investigation will be conducted by the Law Enforcement and Special Prosecutions Division in my office. Your office has already provided us with copies of audits and other information related to the investigation. I would appreciate your forwarding to Deputy Attorney General Mike Meyer, the head of that division, any additional information which you think might be helpful as we go forward.

I have enclosed documents that will formalize this arrangement. We both agree that it would be appropriate for your Office to provide copies of this letter and enclosed documents to the county mayor, members of the county commission, and the persons who submitted the ouster request to your office, and for copies to be provided to the press and posted on our offices' web sites in order to inform the public.

Yours very truly,

A handwritten signature in black ink, appearing to read "RE Cooper, Jr.", with a stylized flourish at the end.

Robert E. Cooper, Jr.  
Attorney General and Reporter

REC/csb

IN THE CRIMINAL COURT FOR KNOX COUNTY, TENNESSEE

DIVISION I

IN RE: Investigation of Allegations that Cynthia Finch, while a Knox County Employee, Illegally Diverted Knox County Funds and Matters Directly or Indirectly Relating to the Alleged Diversion of Funds

MOTION TO VACATE ORDER

Comes Petitioner, William C. Bright, Assistant District Attorney General for the Thirtieth Judicial District of the State of Tennessee, and respectfully moves this Court to vacate its Order of May 27, 2008, which appointed Petitioner as Deputy Attorney General Pro Tem for the Sixth Judicial District of Tennessee in the above matter.

Petitioner would show to the Court that the matters relating to the use of Knox County funds have expanded beyond the original grant of authority by this Court. In light of the greater breadth of the investigation, it is the opinion of Petitioner and of the District Attorney General for the Sixth Judicial District that additional resources are needed to conduct the investigation and all related proceedings.

Petitioner and the District Attorney General for the Sixth Judicial District have conferred with the Attorney General for the State of Tennessee, and the Attorney General has agreed to undertake the investigation. The appointment of the Attorney General for this purpose is made under Tenn. Code Ann. § 8-7-106(b)(4). In order to effectuate the appointment of the Attorney General, it is necessary to vacate this Court's prior Order of May 27, 2008 appointing Petitioner as Deputy Attorney General Pro Tem for the limited purpose contained in such Order.

Upon the appointment of the Attorney General under Tenn. Code Ann. § 8-7-106 (b)(4), the Attorney General will then redesignate Petitioner with the authority to participate not just in the investigation and proceedings involving Cynthia Finch but the broader investigation as well.

Attached to this Motion are the documents that will effectuate the appointment of the Attorney General and of Petitioner.

Wherefore, Petitioner respectfully moves the Court to vacate its Order of May 27, 2008, effective immediately.

RESPECTFULLY SUBMITTED this the \_\_\_\_\_ day of August, 2008.

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WILLIAM C. BRIGHT  
ASSISTANT DISTRICT ATTORNEY GENERAL  
THIRTIETH JUDICIAL DISTRICT

IN THE CRIMINAL COURT FOR KNOX COUNTY, TENNESSEE

DIVISION I

IN RE: Investigation of Allegations that Cynthia Finch, while a Knox County Employee,  
Illegally Diverted Knox County Funds and Matters Directly or Indirectly Relating to the  
Alleged Diversion of Funds

ORDER

Upon petition of William C. Bright, Assistant District Attorney General, and for good  
cause shown, it is hereby

ORDERED that this Court's Order of May 27, 2008, is vacated as of the \_\_\_\_\_ day of  
August, 2008.

ENTER this the \_\_\_\_\_ day of August, 2008.

\_\_\_\_\_  
JUDGE

APPOINTMENT OF ATTORNEY GENERAL AND REPORTER  
TENN. CODE ANN. § 8-7-106(b)(4)

IN RE: CONDUCT OF PROCEEDINGS RELATIVE TO ALLEGATIONS OF VIOLATIONS  
OF STATE LAW AND THE KNOX COUNTY CHARTER ARISING OUT OF THE  
HANDLING OF KNOX COUNTY FUNDS WITHIN THE ADMINISTRATIVE BRANCH OF  
KNOX COUNTY GOVERNMENT

I, Randall E. Nichols, District Attorney General for the Sixth Judicial District of the State of Tennessee, pursuant to the authority under Tenn. Code Ann. § 8-7-106(b)(4) and with the consent of Robert E. Cooper, Jr., Attorney General and Reporter for the State of Tennessee (“Attorney General”), do hereby appoint the Attorney General and his deputies and assistants to investigate all matters and conduct any proceedings pursuant to this section, relative to the handling and possible misuse of Knox County funds, possible conflicts of interest and possible official misconduct within the administrative branch of Knox County government in violation of the laws of Tennessee and/or the Knox County Charter. The investigation and any subsequent proceedings shall focus primarily on the use of grant funds and on audits of the mayor’s hospitality funds, county purchasing card charges and expense reimbursements, and travel expenses. In appointing the Attorney General and his deputies and assistants, I hereby delegate to them all of the authority to conduct such investigations and to pursue any cases that I as District Attorney General would possess in conducting the same activities including, but not limited to, requesting investigative assistance from the Tennessee Bureau of Investigation, granting use and other immunity to potential witnesses, obtaining grand jury subpoenas to obtain documents and other evidence, signing of any indictments, and the full authority to decide on the disposition of any cases that may arise from the aforementioned investigation.

In addition, having recused my office from any of these matters in documents previously filed with the Knox County courts, I acknowledge that the Attorney General and Reporter will be handling any other matters, for which each of our offices have concurrent independent statutory authority, without the participation of the Office of the District Attorney General for the Sixth Judicial District.

In exercising the powers, duties and authority that are granted hereunder, the Attorney General is authorized to delegate such powers, duties and authority to one or more of his deputies and assistants as he deems necessary and appropriate.

This appointment is effective immediately and shall remain in full force and effect until revoked in writing by me or my designee.

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RANDALL E. NICHOLS  
DISTRICT ATTORNEY GENERAL  
SIXTH JUDICIAL DISTRICT OF  
TENNESSEE

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DATE

ACCEPTED:

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ROBERT E. COOPER, JR.  
ATTORNEY GENERAL AND REPORTER

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DATE

APPOINTMENT OF ASSISTANT DISTRICT ATTORNEY GENERAL  
WILLIAM C. BRIGHT  
TENN. CODE ANN. § 8-7-106(b)(5)

IN RE: CONDUCT OF PROCEEDINGS RELATIVE TO ALLEGATIONS OF VIOLATIONS  
OF STATE LAW AND THE KNOX COUNTY CHARTER ARISING OUT OF THE  
HANDLING OF KNOX COUNTY FUNDS WITHIN THE ADMINISTRATIVE BRANCH OF  
KNOX COUNTY GOVERNMENT

I, Robert E. Cooper, Jr., Attorney General and Reporter for the State of Tennessee, pursuant to the authority under Tenn. Code Ann. § 8-7-106(b)(5) and with the consent of William L. Gibbons, District Attorney General for the 30th Judicial District of the State of Tennessee, do hereby appoint William C. Bright, Assistant District Attorney General for the 30th Judicial District, to participate in the investigation, any trials and direction of proceedings relative to the handling and possible misuse of Knox County funds and possible official misconduct within the administrative branch of Knox County government in violation of the laws of Tennessee and/or the Knox County Charter and possible conflicts of interest. The investigation, any trials and proceedings shall focus primarily on matters related directly and indirectly to the use of grant funds and on audits of the mayor's hospitality funds, county purchasing card charges and expense reimbursements, and travel expenses.

This appointment is effective immediately and shall remain in full force and effect until revoked in writing by me or my designee.

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ROBERT E. COOPER, JR.  
ATTORNEY GENERAL AND REPORTER

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DATE

ACCEPTED:

\_\_\_\_\_  
WILLIAM L. GIBBONS  
DISTRICT ATTORNEY GENERAL  
30th JUDICIAL DISTRICT

DATE \_\_\_\_\_

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WILLIAM C. BRIGHT  
ASSISTANT DISTRICT ATTORNEY GENERAL  
30th JUDICIAL DISTRICT

DATE \_\_\_\_\_